Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of)		
)		
GTS Carrier Services, Inc.)		
)		
)		
Application for Authority Pursuant to Section)	File No. ITC-214	
214 of the Communications Act 1934, as)		
Amended, to Provide Facilities-Based and)		
Resold Switched, Private Line, Data,)		
Television and Business Services between)		
the United States and Russia)		
)		

SECTION 214 APPLICATION

GTS Carrier Services, Inc. (hereinafter the "Applicant") hereby requests authority under Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and § 63.18 of the Commission's Rules, 47 C.F.R. § 63.18, to provide global facilities-based and resold switched, private line, data, television and business services between the United States and Russia. In order to qualify for streamlined processing pursuant to § 63.12(c)(1)(vi), the Applicant agrees to be subject to all of the conditions to which Global TeleSystems Europe B.V., a subsidiary, is subject in its provision of services between the United States and Russia.

Introduction

The Applicant is a subsidiary of Global TeleSystems, Inc., a provider of e*Business and borderless broadband services across Europe, serving businesses and carriers with a range of broadband, Internet/IP and voice services. The Applicant has been organized to provide international telecommunication services to business and carriers in the United States.

The application is eligible for streamlined processing procedures because, although the Applicant is affiliated with a foreign carrier that operates in Russia, the Applicant agrees to be subject to the same conditions to which its subsidiary, Global TeleSystems Europe B.V., is subject in its provision of services between the United States and Russia.

Granting of this application will intensify competition in the international telecommunications markets by providing customers with additional choices. Additional competition should also reduce dominant carriers' ability to exercise market power between their countries and the United States. In light of the above, grant of the instant application is in the public interest.

Section 63.18 Information

The following information is provided by the Applicant as required by Section 63.18 of the Commission's Rules, 47 C.F.R. § 63.18.

(a) Name, Address and Telephone Number of Applicant

GTS Carrier Services, Inc. 4121 Wilson Blvd, 8th Floor Arlington, Virginia 22203

Telephone: 1-703-236-3710

(b) Place of Incorporation

GTS Carrier Services, Inc. is a business corporation organized under the laws of the state of Delaware.

(c) Contact Points

Correspondence concerning this application should be addressed to:

Hartmut Seibel Senior Regulatory Advisor Terhulpsesteenweg 6A 1560 Hoeilaart Belgium

Telephone: 011-32-2-658-52-15 Facsimile: 011-32-2-658-41-12

Email: Hartmut.Seibel@gtseurope.com

With a copy of all such correspondence to:

Joel Winnik Hogan & Hartson L.L.P. Columbia Square 555 Thirteenth Street, N.W. Washington, DC 20004-1109

Telephone: 1-202-637-5600 Facsimile: 1-202-637-5910

(d) Section 214 Authorizations

The Applicant has previously received authority under Section 214 of the Communications Act to provide global facilities-based and resold services pursuant to Section 63.18(e)(1) and (2) of the Commission's Rules to all international points except Russia. *See* File No. ITC-214-20000315-00164.

(e) Requested Authorizations

The Applicant is herein requesting authority to:

- (1) operate as facilities-based international carrier in order to provide international basic switched, private line, data, television and business services between the United States and Russia pursuant to the terms and conditions of Section 63.21 and 63.22 of the Commission's Rules, 47 C.F.R. § 63.21 and 63.22; and
- (2) resell the international services of authorized U.S. common carriers for the provision of international basic switched, private line, data, television and business services between the United States and Russia pursuant to the terms and conditions of Section 63.21 and 63.23 of the Commission's Rules, 47 C.F.R. § 63.21 and 63.23.
- (f) At this time, the Applicant seeks no other authorization available under Section 63.18(e) of the Commission's Rules, 47 C.F.R. § 63.18(e).

(g) Environmental Statement

Not Applicable.

(h) Ten Percent or Greater Shareholders and Interlocking Directorates

The name, address, citizenship and principal business of the Applicant's 10% or greater direct shareholder is as follows:

Shareholder Name/Address	Direct Interest Held in the Applicant	Citizenship	Principal Business
GTS European Telecommunications, Corp. 4121 Wilson Blvd, 8 th Floor Arlington, Virginia 22203	100%	Delaware	Holding Company

The name, address, citizenship and principal business of the GTS European Telecommunications, Corp. (hereinafter "GTEC") direct shareholder that has a 10% or greater indirect interest in the Applicant is as follows:

Shareholder Name/Address	Percentage Held in GTEC	Citizenship	Principal Business
Global TeleSystems, Inc. 4121 Wilson Blvd, 8 th Floor Arlington, Virginia 22203	100%	Delaware	Holding Company

The name, address, citizenship and principal business of the Global TeleSystems, Inc. (hereinafter "GTSI") 10% or greater direct shareholder is set forth below:

Shareholder	Percentage Held in GTSI *	Citizenship	Principal Business
AXA Assurances I.A.R.D. Mutuelle 9 Place Vendome 7501 Paris France	20.21%	France	Insurance

^{*} Percentage stakes represents holdings of several separately managed funds and are based on filings to the Securities and Exchange Commission.

Robert J. Amman and Grier C. Raclin are directors of GTS Carrier Services, Inc. and Global TeleSystems Europe BV. Grier C. Raclin is a director of GTS Carrier Services, Inc. and C-Datacom International, Inc.

(i) Foreign Countries in which the Applicant Is, or Is Affiliated with, a Foreign Carrier

The Applicant certifies that it is not a foreign carrier in any foreign country, within the meaning of Section 63.18(j)(1) of the Commission's Rules, 47 C.F.R. § 63.18(j)(1).

The Applicant certifies that it controls foreign carriers, within the meaning of Section 63.18(j)(2) of the Commission's Rules, 47 C.F.R. § 63.18(j)(2), in Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Italy, Luxembourg, Norway, Spain, Sweden, Switzerland, the Netherlands, and the United Kingdom.

The Applicant certifies that it is affiliated with foreign carriers, within the meaning of Section 63.18(j)(3) of the Commission's Rules, 47 C.F.R. § 63.18(j)(3), in Czech Republic, Belgium, France, Germany, Hungary, India, Ireland, Italy, Kazakhstan, Luxembourg, Norway, Poland, Romania, Russia, Slovak Republic, Spain, Sweden, Switzerland, the Netherlands, Ukraine, and the United Kingdom.

The Applicant certifies that it does not have any foreign carrier affiliations within the meaning of Section 63.18(j)(4) of the Commission's Rules, 47 C.F.R. § 63.18(j)(4).

(j) Destination Countries for which this Authorization Is Requested and the Applicant Is, or Has Certain Types of Relationships with, a Foreign Carrier

As previously stated, this application is submitted in order to authorize the Applicant to provide facilities-based and resold switched, private line, data, television and business services between the United States and Russia.

The Applicant certifies that it has relationships of the type described in Section 63.18(j)(3) of the Commission's Rules, 47 C.F.R. § 63.18(j)(3), with the following foreign carriers in Russia:

Foreign Carrier	Foreign Country	Principal Business
EDN Sovintel LLC	Russia	International Long Distance and Local Access
Vostok Mobile, B.V. ¹	Russia	Basic Cellular
TeleRoss LLC ²	Russia	Domestic Long Distance, Data, and Local Access in Moscow

For the Commission's convenience the Applicant is submitting a consolidated list of all Foreign Carrier Affiliates as Exhibit I.

(k) Members of the WTO and/or Lack of Market Power

Each of the three named foreign carrier affiliates in Russia lacks sufficient market power to affect competition adversely in the U.S. market. Each is a new market entrant and as such does not exercise bottleneck control or market power. Moreover, since these companies will be competing with incumbent service providers, customers will have a choice of service providers if these companies charge higher than market prices. Accordingly, these companies will not be able to exercise market power. Because these companies do not hold more than 50 percent market share in the international, inter-city or local access markets in foreign countries in which they operate, the Applicant should be regulated as a non-dominant carrier.

In addition, in order to qualify for streamlined processing of the present application, the Applicant hereby undertakes the following commitments:

- 1) The Applicant will file quarterly reports on any traffic and revenue exchanged with EDN Sovintel LLC, consistent with the reporting requirements authorized pursuant to § 43.61, within 90 days of the end of each calendar quarter.
- 2) Within 90 days of the end of each calendar quarter, the Applicant will file quarterly reports summarizing the provisioning and maintenance of any basic network facilities and services procured from EDN Sovintel LLC. These reports will contain the following: the types of circuits and services provided; the average time intervals between order and delivery; the number of outages and intervals between fault report and service restoration; and, for circuits used to provide international switched service, the percentage of "peak hour" calls that failed to complete.

Vostok Mobile, B.V. is a wholly owned subsidiary of GTS. Vostok Mobile, B.V. owns between 50% and 100% of a series of cellular ventures in various regions of Russia. The telecommunications companies in which Vostok Mobile, B.V. has interests are Penza Mobile, Astrakhan Mobile, Votec Mobile, Chuvashia, Mobile, Lipetsk Mobile, Arkhangelsk Mobile Networks, Saratov Mobile, Volgograd Mobile, Murmansk Mobile Network, Parma Mobile, Unicel Bryansk, Unicel Kostroma, Unicel Orel, Unicel Yaroslavl, BashUnicel, Mar Mobile, Novgorod Telecommunications, Unicel Ivanovo, Altay Sviaz and Primtelephone.

TeleRoss LLC holds the network license and co-manages fourteen joint ventures, thirteen of which are 50% beneficially-owned by GTS, and one, TeleRoss-Irkutsk, which is 100% beneficially-owned by GTS. These fourteen joint ventures are TeleRoss-Irkutsk, TeleRoss-Ufa, TeleRoss-Novosibirsk, TeleRoss-Vladivostock, TeleRoss-Tiumen, TeleRoss-Khabarovsk, TeleRoss-Volgograd, TeleRoss-Ekaterinburg, TeleRoss-Nizhni Novgorod, TeleRoss-Arkhangelsk, TeleRoss-Veronezh, TeleRoss-Samara, TeleRoss-Komi, TeleRoss-Kubanelectrosviaz and LLC Nevatelecom.

3) With respect to any authorized facilities-based operations conducted in conjunction with EDN Sovintel LLC, the Applicant will file quarterly circuit status reports within 90 days of the end of each calendar quarter in the format set out by the § 43.82 annual circuit status manual, with two exceptions: activated or idle circuits must be reported on a facility-by-facility basis; and the derived circuits need not be specified in the three quarterly reports due on June 30, September 30, and December 31.

(1) Affiliation with US Carriers

The Applicant may resell the international switched services of an unaffiliated U.S. carrier in order to provide international telecommunication services to countries where it may become a foreign carrier, or is affiliated with a foreign carrier. The Applicant's affiliated foreign carriers on the routes that the Applicant seeks to serve by virtue of the present application are not monopoly providers of telecommunication services. Moreover, all the Applicant's affiliated foreign carriers are new market entrants and as such they do not exercise bottleneck control or market power in foreign countries in which they operate. Moreover, since these companies will be competing with incumbent service providers, customers will have a choice of service providers if these companies charge higher than market prices. Accordingly, these companies will not be able to exercise market power. Because these companies do not hold more than 50 percent market share in the international, inter-city or local access markets in foreign countries in which they operate, the Applicant satisfies Section 63.10(a)(3) of the Commission's Rules, 47 C.F.R. § 63.10(a)(3).

(m) Regulatory Classification under Section 63.10 of the Commission's Rules

As previously stated, the Applicant's foreign carrier affiliates in Russia are new market entrants. As such, they do not exercise bottleneck control or market power. Moreover, since these companies will be competing with incumbent service providers, customers will have a choice of service providers if these companies charge higher than market prices. Accordingly, these companies will not be able to exercise market power. Because these companies do not hold more than 50 percent market share in the international, inter-city or local access markets in foreign countries in which they operate, the Applicant should be regulated as a non-dominant carrier.

(n) No Special Concessions

GTS Carrier Services, Inc., certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely, and will not enter into any such agreements in the future.

(o) Denial of Federal Benefits

GTS Carrier Services, Inc., certifies pursuant to Section 1.2001 through 1.2003 of the Commission's Rules that no party associated with this application is subject to a denial of Federal benefits pursuant to Section 5301 of the Ant-Drug Abuse Act of 1988.

(p) Eligibility for Streamlined Processing

This application is eligible for streamlined processing pursuant to Section 63.12(a) of the Commission's Rules, 47 C.F.R. § 63.12(a), and in particular Section 63.12(c)(1)(vi)³, 47 C.F.R. § 63.12 (c)(1)(vi), which provides that an application is eligible for streamlined processing notwithstanding an affiliation with a foreign carrier on a route to be served if the following is true: "An entity with exactly the same ultimate ownership as the applicant has been authorized to provide the applied-for services on the affiliated destination route, and the applicant agrees to be subject to all of the conditions to which the authorized carrier is subject for its provision of service on that route." In this case, five companies with exactly the same ultimate ownership as the Applicant, including Global TeleSystems Europe B.V., have been authorized to provide facilities-based and resold services between the United States and Russia pursuant to certain conditions. As discussed above in response to paragraph (k), the Applicant agrees to be subject to those same conditions in its provision of service on the U.S.–Russia route.

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³ See paragraph (m) above.

Conclusion

In conclusion, GTS Carrier Services, Inc., certifies that all the information in this application is accurate and correct.

Accordingly, GTS Carrier Services, Inc., respectfully requests that the Commission grant this application on a streamlined basis.

Respectfully submitted,

GTS Carrier Services, Inc.

By:______ Grier C. Raclin

Vice President and Corporate Secretary

June 14, 2000

Exhibit I

AFFILIATED FOREIGN CARRIERS

Foreign Carrier	Foreign Country	Principal Business
GTS Europe BV ⁴	Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, Norway, Spain, Sweden, Switzerland, the Netherlands, and the United Kingdom	Carriers' Carrier
GTS Carrier Services (Czech) s.r.o.	Czech Republic	International Carriers' Carrier
GTS Finland OY	Finland	Voice Telephony
Interaktieve Media Services BV	Netherlands	International and National Long Distance
Global TeleSystems (Austria) GmbH ⁵	Austria	Local Access Services
Global TeleSystems (Nederland) BV ⁶	Belgium, Netherlands	International and National Long Distance Services
Global TeleSystems (Norge) AS ⁷	Norway	Voice Telephony
Global TeleSystems (Denmark) AS	Denmark	Voice Telephony
FLAG Atlantic (France) SARL ⁸	France	Transatlantic Capacity
FLAG Atlantic (UK) Ltd.	United Kingdom	Transatlantic Capacity
Global TeleSystems (Belgium) S.A.	Belgium	Voice Telephony
GTS Benelux BV ⁹	Netherlands	Voice Telephony
WestCom fur Telekommunikation GmbH	Germany	Value Added Services
GTS Benelux SARL	Luxembourg	Voice Telephony
GTS Business Services (Ireland) Ltd. 10	Ireland	Voice Telephony
Global TeleSystems (UK) Limited 11	United Kingdom	International and National Long Distance Services
Global TeleSystems (Deutschland) GmbH) ¹²	Germany	International and National Long Distance Services
Global TeleSystems Netzwerk GmbH Co. KG ¹³	Germany	International and National Long Distance Services

Formerly Hermes Europe Railtel BV Formerly GTS Access Services (Vienna) GmbH

Formerly Esprit Telecom Benelux BV

Formerly GTS Business Services (Norway) AS

FLAG Atlantic (France) SARL has applied for a telecommunications license in France, and is expected to be granted a telecommunications licenses in France by the second quarter of 2000

⁹ Formerly Netsource Telecom Benelux BV

¹⁰ Formerly International Telecommunications Ltd.
11 Formerly Esprit Telecom UK Limited
12 Formerly Esprit Telecom Deutschland GmbH
13 Formerly PLUSNET GmbH Co. KG

Global TeleSystems (España) SA ¹⁴	Spain	International and National Long Distance Services in Gerona, Madrid and Barcelona
Esprit Telecom France SA	France	International and National Long Distance Voice Telephony
GTS Italia SrL ¹⁵	Italy	Voice Telephony
GTS Omnicom S.A. ¹⁶	France	Voice Telephony
GTS Access Services (Switzerland) SA	Switzerland	Local Access
GTS Business Services (UK) Ltd.	United Kingdom	Domestic Value Added Services and International Voice
Global TeleSystems (Sverige) AB ¹⁷	Sweden	Voice Telephony and Mobile
GTS-Hungary Telecommunications Ltd.	Hungary	VSAT Network, National Microwave Network and Local Access Services in Budapest
Proner Communications Sp.z.o.o. ¹⁸	Poland	International Long Distance Data Communications
ATOM SA	Poland	International and Domestic Data Services
Internet Technolgies Polska Sp.Z.o.o.	Poland	Internet Access
Data Net Telecom Ltd.	Hungry	VSAT Network
Sitel-VSAT s.r.o.	Slovak Republic	VSAT Network
GTS Slovakia s.r.o.	Slovak Republic	Data Services
GTS Ince s.r.o.	Czech Republic	Internet Access
Netforce s.r.o.	Czech Republic	Internet
GTS CzechNet s.r.o.	Czech Republic	Data Services, VSAT Network and Leased Lines
GTS CzechCom s.r.o.	Czech Republic	Data Services
SC GTS Romania SRL	Romania	VSAT Network
Dattel a.s.	Czech Republic	Domestic Public Voice and Internet Access
EDN Sovintel LLC	Russia	International Long Distance and Local Access
Vostok Mobile, B.V. ¹⁹	Russia	Basic Cellular

¹⁴ Formerly Esprit Telecom España SA

¹⁵ Formerly Esprit Telecom Italia SrL

¹⁶ Formerly Omincom S.A.

¹⁷ Formerly NetSource Sverige AS ¹⁸ Formerly Catalina Sp.z.o.o.

¹⁹ Vostok Mobile, B.V. is a wholly owned subsidiary of GTS. Vostok Mobile, B.V. owns between 50% and 100% of a series of cellular ventures in various regions of Russia. The telecommunications companies in which Vostok Mobile, B.V. has interests are Penza Mobile, Astrakhan Mobile, Votec Mobile, Chuvashia, Mobile, Lipetsk Mobile, Arkhangelsk Mobile Networks, Saratov Mobile, Volgograd Mobile, Murmansk Mobile Network, Parma Mobile, Unicel Bryansk, Unicel Kostroma, Unicel Orel, Unicel Yaroslavl, BashUnicel, Mar Mobile, Novgorod Telecommunications, Unicel Ivanovo, Altay Sviaz and Primtelephone.

TeleRoss LLC ²⁰	Russia	Domestic Long Distance, Data, and Local Access in Moscow
Sovam Teleport Kiev Division	Ukraine	Data
SA Telecom	Kazakhstan	Data
Golden Telecom	Ukraine	Voice and Data
C-Datacom International, Inc.	India	International Private Line Communications

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TeleRoss LLC holds the network license and co-manages fourteen joint ventures, thirteen of which are 50% beneficially-owned by GTS, and one, TeleRoss-Irkutsk, which is 100% beneficially-owned by GTS. These fourteen joint ventures are TeleRoss-Irkutsk, TeleRoss-Ufa, TeleRoss-Novosibirsk, TeleRoss-Vladivostock, TeleRoss-Tiumen, TeleRoss-Khabarovsk, TeleRoss-Volgograd, TeleRoss-Ekaterinburg, TeleRoss-Nizhni Novgorod, TeleRoss-Arkhangelsk, TeleRoss-Veronezh, TeleRoss-Samara, TeleRoss-Komi, TeleRoss-Kubanelectrosviaz and LLC Nevatelecom.